



# Drinking Water State Revolving Fund

## Consolidation Feasibility Study Grant Guidelines and Application

On August 3, 2020, the Drinking Water State Revolving Fund (DWSRF) program will begin accepting applications for the Consolidation Feasibility Study Grant Program. The application worksheet is available in Appendix A of these guidelines. **After you complete the application worksheet** your information must be entered into our online application Washington Loan Tracking (WALT). WALT can be accessed through Secure Access Washington (SAW). For help with the online system, check out the [WALT External User Manual](#). The application period is August 3 to August 31, 2020.

Informational webinars will be held on this funding opportunity.

- ◆ **Consolidation Feasibility Study Grant Program Overview Webinar:** July 21, 2020, 10:00 a.m. to noon. We will post the webinar link on the DWSRF webpage prior to webinar.
- ◆ **Question and Answer Webinar:** August 19, 2020, 1:00 p.m. to 3:00 p.m. We will post webinar link on the DWSRF webpage prior to webinar.

Revised May 2020



To request this document in another format, call 1-800-525-0127. Deaf or hard of hearing customers, please call 711 (Washington Relay) or email [civil.rights@doh.wa.gov](mailto:civil.rights@doh.wa.gov).

## Office of Drinking Water Contacts

### Drinking Water State Revolving Fund Loan Program

<b>If you have questions about</b>	<b>Contact</b>	<b>Phone</b>
Application	<a href="#">Sara J. Herrera</a>	360-236-3089
Cultural/environmental review	<a href="#">Scott Kugel</a>	509-329-2117
Scope of work or Eligibility	<a href="#">Janet Cherry</a>	360-236-3153
Underwriting	<a href="#">Mike Copeland</a>	360-236-3083
Contracting	<a href="#">Eloise Rudolph</a>	360-236-3124
Contracting	<a href="#">Dennis Hewitt</a>	360-236-3017
Contracting	<a href="#">Brittany Cody-Pinkney</a>	360-236-3047

Department of Health, Office of Drinking Water  
PO Box 47822  
Olympia, WA 98504-7822

**Phone** 360-236-3089 or 800-521-0323

**Fax** 360-236-2252

**Email** [dwsrf@doh.wa.gov](mailto:dwsrf@doh.wa.gov)

**Website** [doh.wa.gov/DWSRF](http://doh.wa.gov/DWSRF)

If you have questions on regulatory requirements, project reports, or planning requirements, please contact the appropriate Office of Drinking Water (ODW) regional office.

**[Northwest Regional Office](#)**  
20425 72nd Ave. S., Suite 310  
Kent, WA 98032  
253-395-6750

**[Southwest Regional Office](#)**  
243 Israel Road SE  
Tumwater, WA 98501  
360-236-3030

**[Eastern Regional](#)**  
16201 E. Indiana Ave. Suite 1500  
Spokane Valley, WA 99216  
509-329-2100

## Technical Assistance Contacts for Small Water Systems

### Evergreen Rural Water of Washington

360-462-9287

[www.erwow.org](http://www.erwow.org)

### Rural Community Assistance Corporation (RCAC)

**360-836-5424**

[www.rcac.org](http://www.rcac.org)

To receive additional information about other grants and loans that may be available to you, visit the Infrastructure Assistance Coordination Council's webpage at [infracfunding.wa.gov](http://infracfunding.wa.gov).

## Table Of Contents

<b>Small System Consolidation Grant Application Guidelines .....</b>	<b>1</b>
<b>Office of Drinking Water Contacts .....</b>	<b>1</b>
<b>Technical Assistance Contacts for Small Water Systems .....</b>	<b>1</b>
Program Description and Goals .....	1
Grant Objective.....	1
Minimum Qualifications And Eligibility.....	1
Funding .....	2
<b>DWSRF Application Process .....</b>	<b>2</b>
Precontract Requirements.....	3
Appendix <a href="#">A- Application Worksheet</a> .....	18
Appendix <a href="#">B- Example Letters of Commitment</a> .....	18
Appendix <a href="#">C- Example Scopes of Work</a> .....	<b>18</b>

## PROGRAM DESCRIPTION AND GOALS

DOH seeks to promote consolidation of small Group A water systems into larger entities with greater technical, managerial, and financial capacity. This effort would reduce the number of Group A water systems that serve fewer than 10,000 people and the number of water system owners.

Consolidation is either (1) physically joining two or more separate water systems into one Group A water system, or (2) changing ownership of a water system where the prospective new owner is a public entity, also referred to as restructuring.

Consolidation activities include, but are not limited to, water system planning, feasibility studies, public outreach and meetings, engineering design, and connection of Group A water systems.

The maximum grant available per project is \$30,000, the minimum is \$10,000. There is no upper limit on the number of projects a jurisdiction may submit for funding.

### 1.2 GRANT OBJECTIVE

The primary objective of this consolidation grant is to assist Group A not-for-profit community water systems with restructuring or consolidation projects. Information obtained with this grant can help all affected entities make informed decisions on the restructuring or consolidation project.

#### Minimum Qualifications And Eligibility

The applicant must be a:

- ◆ Group A not-for-profit community water system, county, public utility district, or water district in Washington State
- ◆ Tribal water system that meets the definition of a Group A not-for-profit community water system. Tribal water systems must meet all capacity requirements and the proposed project may not receive Safe Drinking Water Act (SDWA) national set-aside funds for tribal systems.

The applicant is not required to have a current approved water system plan or small water system management program to be eligible for funding. Applicants that don't have a current water system plan or small water system management program may use the grant funds to update or otherwise complete a plan that demonstrates the system's ability to acquire the additional water system(s).

State owned, federally owned, non-community, and for-profit water systems are not eligible to apply for this grant. Responding entities who do not meet these minimum qualifications will be deemed ineligible. Group B systems are not eligible for this funding.

Letters of commitment, interlocal agreements, or equivalent documentation to demonstrate commitment to participate in the proposed project are required. The applicant and all other water systems identified in the proposed project must provide this information. Example letters of commitment are provided in Appendix B.

### Consolidated or Restructured System

The system (or systems) studied for potential consolidation or restructuring must be a Group A water system serving fewer than 10,000 people and may be owned by the applicant at time of application. While federally owned, state-owned, for-profit and non-community water systems are not eligible to apply for this funding, such water systems are eligible for consolidation by an eligible responding entity.

### Connection Fee Project

This grant may pay for design costs, system development charges, pipe materials, meters, and administrative costs associated with connecting one or more Group A water systems according to the applicant's published fees or tariff. **This grant cannot be used to fund the costs associated with installing and constructing the service connection.**

### FUNDING

The maximum grant available per project is \$30,000 when fewer than four Group A water systems (excludes the project applicant) are being considered in the study. For studies that include four or more Group A water systems (excluding the project applicant), the maximum award is \$45,000. The minimum award amount is \$10,000. A single jurisdiction may submit multiple project applications for grant funding. If an applicant is selected to receive grant funds but the offer is withdrawn or declined, the next highest scored applicant(s) will be considered to receive grant funds.

## DWSRF APPLICATION PROCESS

We will accept applications this year through our online Washington Loan and Grant Tracking system (WALT). You can find the application worksheet in Appendix A of this document and at [doh.wa.gov/DWSRF](https://doh.wa.gov/DWSRF). WALT will accept applications until 11:59 p.m. on August 31, 2020, the deadline date.

DWSRF staff are available to assist you with your application. We will host an informational webinar on July 21, 2020, and a Question and Answer webinar August 19, 2020, to help you with the application. Webinar information is at [doh.wa.gov/DWSRF](https://doh.wa.gov/DWSRF).

Appendix B contains example letters of commitment. Appendix C contains example scopes of work.

Estimated Timeline	
Action	Date
<b>Consolidation Feasibility Study Grant Program Overview Webinar:</b>	July 21, 2020
Link to webinar will be posted on DWSRF webpage prior to webinar	10:00 am to noon
Grant Application opens	August 3, 2020
<b>Question and Answer Webinar:</b>	August 19, 2020
Link to webinar will be posted on DWSRF webpage prior to webinar	1:00 pm to 3:00 pm
<b>Questions and Answers from August 19 webinar will be posted to DWSRF webpage</b>	August 26, 2020
<b>Applications due.</b> DOH will accept applications until 11:59 local time on the due date and will review applications on receipt.	August 31, 2020
Applicants notified of funding status.	October 31, 2020
Contracts issued.	November–December 2020
Complete all work.	Within two years of contract execution.

## 2.6 PROJECT SCORING

Our scoring process gives funding priority to projects that address severe public health threats, managerial capacity challenges, and compliance issues. After you submit your application, we will determine whether the projects are eligible for Drinking Water State Revolving Fund Consolidation Feasibility Study Grant funding. All eligible projects will be scored. If projects receive identical scores, we use the largest population of the system(s) being consolidated as a tiebreaker.

A critical element of the application is the health risk or problem the proposed project will eliminate. Your application must clearly document any public health risks, managerial challenges, and compliance problems the project would address.

Water systems with the following managerial issues will be prioritized:

- ◆ Two or more key staff positions within the organization are vacant and have been vacant for more than three months. Key positions include mayor, clerk, treasurer, city administrator, city supervisor, public works director, water superintendent, and certified operator.
- ◆ Board or council with over 50% vacancy in required positions for more than three months. As example, boards with three required positions have at least two positions vacant for more than three months.

Water system owner or Satellite Management Agency has given a one year notice or other written documentation to Office of Drinking Water and water system customers (or designated representative) state they do not want to own the water system.

Bonus points will be awarded, with 3 points awarded for each Group A water system participating in the study.

We may not consider unclearly presented information during scoring and ranking.

**Risk Categories and associated points in priority order are as follows.**

**Risk Category 1 (42 points).** To receive a score in Risk Category 1, the proposed project will eliminate or address a documented microbial contamination event or compliance problem associated with:

- ◆ Total Coliform Rule and Revised Total Coliform Rule.
- ◆ Surface Water Treatment Rules.
- ◆ Groundwater Rule.
- ◆ Uncovered finished water reservoirs.
- ◆ Exceeding EPA Health Advisory (HA) level for microbials and cyanotoxins. Per the current EPA HA, the identified cyanotoxins are microcystins (current level established at 0.3 micrograms per liter) and cylindrospermopsin (current level established at 0.7 micrograms per liter).

**Risk Category 2 (34 points).** To receive a score in Risk Category 2, your proposed project eliminates primary inorganic chemical contamination.

Project must address compliance problems (MCL, TT, or Action Level), exceedances, or violations associated with the following.

Antimony (Sb)	Chromium (Cr)	Nickel (Ni)
Arsenic (As)	Copper (Cu)	Nitrate (as N)
Asbestos	Cyanide (HCN)	Nitrite (as N)
Barium (Ba)	Fluoride (F) (over 4.0 mg)	Selenium (Se)
Beryllium (Be)	Lead (Pb)	Thallium (Tl)
Cadmium (Cd)	Mercury (Hg)	

Risk Category 2 also includes the following:

- ◆ Corrosion control projects for lead and copper.
- ◆ Projects to address a combined concentration of PFOS, PFOA, PFHxS, PFNA, and PFHpA that exceeds 70 parts per trillion.
- ◆ Two or more key staff positions within the organization are vacant and have been vacant for more than three months. Key positions include: mayor, clerk, treasurer, city administrator, city supervisor, public works director, water superintendent, and certified operator.
- ◆ Boards or councils with over 50% vacancy in required positions for more than three months. As example, boards with three required positions with at least two positions vacant for more than three months. Or councils with five required positions with three or more positions vacant for more than three months.

**Risk Category 3 (26 points).** The proposed project eliminates other primary chemical risk, addresses a sanitary survey significant deficiency, disinfection installation, lead component removal or replacement, or EPA chemical Health Advisory (HA).

To receive a score in Risk Category 3, your project must address compliance problems (MCL, TT, or Action Level), exceedances, or violations associated with the following:

- ◆ Disinfection by-products.
- ◆ Organic chemical.
- ◆ Radionuclides.

Other eligible projects in Risk Category 3 include:

- ◆ Addressing a significant deficiency identified during the most recent sanitary survey. The system must have received a compliance order for the significant deficiency.
- ◆ Installation of disinfection as required in WAC 246-290-451, if not captured in Risk Category 1.
- ◆ Addressing an exceedance of an EPA HA level established for chemical contaminants, such as manganese concentrations that exceed 0.3 milligrams per liter.
- ◆ Receiverships.
- ◆ Lead service line and gooseneck replacement. The water system must provide historic records to document that the service lines or goosenecks to be replaced are lead. Acceptable historic records include information on the age of the houses and high probability of lead components being present, line installation records, line repair information, and as-builts.
- ◆ Water system owner or Satellite Management Agency has given a one year notice or other written documentation to Office of Drinking Water and water system customers (or designated representative) state they do not want to own the water system.

**Risk Category 4 (18 points).** The proposed project addresses a secondary MCL, resiliency, seawater intrusion risk, sanitary survey significant finding, 80 percent of nitrate or arsenic MCL.

To receive a score in Risk Category 4, your project must address compliance problems (MCL, TT, or Action Level), exceedances, or violations associated with the following.

Chloride (Cl)	Manganese (Mn)	Sulfate (SO <sub>4</sub> )
Fluoride (F) (over 2.0 mg)	Silver (Ag)	Zinc (Zn)
Iron (Fe)	Sodium (Na)	

Projects that provide resiliency to the water system also qualify for this Risk Category. Resilience refers to the ability of water infrastructure systems to withstand and recover from natural and man-made disturbances to their functioning. Resilience criteria for factors relating to project planning and design may address:

- ◆ Vulnerability of a water system to disruption of safe water delivery, whether natural or of human origin.
- ◆ Capability to recover from disruption of safe water delivery.
- ◆ A range of natural events capable of disruption, including flooding, long-term drought, and earthquakes.

Projects that qualify as providing system resiliency include, but are not limited to, adding a redundant source, modifying a surface water intake to operate under drought or flood conditions, seismic upgrades to finished water reservoirs or transmission mains, interties, or providing a generator at the main source. **The proposed project needs to benefit the majority (51 percent or more) of the population the water system serves.**

Other projects that qualify for Risk Category 4 include:

- ◆ Addressing seawater intrusion.
- ◆ Addressing a significant finding identified in the most recent sanitary survey. The system must have received a compliance order for the significant finding.
- ◆ Addressing a nitrate or arsenic issue. To qualify, the system must have entry point monitoring that documents the system exceeds 80 percent of the nitrate or arsenic MCL.

**Risk Category 5 (10 points).** To receive a score in Risk Category 5, the proposed project must include components for infrastructure sustainability.

Projects can be one of the following:

- ◆ Treatment enhancement. For example, treatment installed to address taste and odor.
- ◆ Install an additional distribution reservoir.
- ◆ Install treatment plant discharge improvements.
- ◆ Install pressure reduction device(s).
- ◆ Install backflow prevention device(s). Device must be installed on property the water system owns. The water system must own and maintain the device.
- ◆ Security measures (cameras, fencing, lighting, lab equipment, chemical storage) not included as part of a category 1–4 project.
- ◆ Replace water mains, reservoirs, or booster pump stations.
- ◆ Replace roof for reservoir and other structures.
- ◆ Other distribution improvements.

An application can receive points in only one Risk Category. After we score applications, we rank them from highest to lowest score. If projects receive identical scores, we will use the respective population of the water system(s) being consolidated as a tiebreaker.

There is no upper limit on the number of projects a jurisdiction may submit for funding.

**Bonus Points.** We will award 3 bonus points for each Group A water system the project intends to consider for restructuring or consolidation, with no limit to the amount of bonus points allowed.

## CONTRACT INFORMATION

Work performed prior to contract execution will not be eligible for reimbursement.

We will withhold 10 percent of the total funding amount until you complete the project and DOH receives and approves all deliverables. Projects must be completed within two years of contract execution. Work completed after that date will not be reimbursed.

We are now required to perform a risk assessment for all grant recipients. Depending on the outcome of the risk assessment, additional fiscal monitoring may be required.

You must complete the following steps prior to receiving a DWSRF contract.

- ◆ **Step 1: Data Universal Numbering System (D-U-N-S).**  
Borrowers must have a Data Universal Numbering System (D-U-N-S) number, which is a

unique nine-character identification number provided by Dun & Bradstreet. Organizations may access the form at [fedgov.dnb.com/webform](https://fedgov.dnb.com/webform) if they do not have a D-U-N-S Number. Internet requests are fulfilled within 24 hours. Once issued, a D-U-N-S Number should be available for use in the System for Awards Management (SAM) within 48 hours.

◆ **Step 2: Valid Registration with System for Awards Management (SAM).**

Borrowers must have a valid entity registration with SAM. SAM is a federally owned and operated free website that consolidates the federal procurement systems and the Catalog of Federal Domestic Assistance (CFDA) into one system. SAM now includes the functionality of the Central Contractor Registry (CCR). Entity registration must be updated or renewed at least once a year or it will expire. Visit [sam.gov/SAM](https://sam.gov/SAM) to see if you are already registered. You do not need a user account to search, just type your entity name or D-U-N-S number into the search box.

If you are not registered, you must first create a user account and register at [sam.gov/SAM](https://sam.gov/SAM). You will need your D-U-N-S Number to complete your registration. If you need help, the Federal Service Desk at [fsd.gov](https://fsd.gov) can help you navigate the system and support your SAM registration.

◆ **Step 3: Statewide Vendor Number.**

Borrowers must establish a Statewide Vendor (SWV) number through the Office of Financial Management (OFM) and submit it to DOH. The Statewide Payee Desk maintains a central file that all Washington State agencies use to process payments to individuals and businesses. Contact OFM at 360-407-8180, [PayeeRegistration@ofm.wa.gov](mailto:PayeeRegistration@ofm.wa.gov), or obtain the required forms at <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>.

◆ **Step 4: Check for Federal Exclusion.**

Before DOH awards a contract to borrowers, we verify that borrowers are not in the Federal Excluded Parties List System (EPLS) for ineligible professionals and debarred contractors at [sam.gov/SAM](https://sam.gov/SAM). We document that the borrower does not appear in the EPLS by keeping a printout in the borrower's loan file. Borrowers must verify contractor or subcontractor eligibility through SAM and document it in the file.



## Appendix A

### 2020 DWSRF

## Consolidation Feasibility Study Grant

### Application Worksheet

It is important that you read and understand the 2020 DWSRF Consolidation Grant Guidelines before you complete this application worksheet and enter information into the DWSRF online application, WALT. Fields marked with an \* are required fields. Submittals must be received online by August 31, 2020.

<b>*Applicant Organization</b>		
<b>*Address 1</b>		
<b>Address 2</b>		
<b>*City</b>	<b>State</b>	<b>*Zip Code +4</b> ( <a href="#">Link to USPS Zip Code Lookup</a> )
<b>*County</b>		<b>*Phone Number</b>
<b>*Email</b>	<b>*Federal Tax ID #</b>	<b>Organization Website Address</b>

<b>*First Name</b>		<b>*Last Name</b>	
<b>*Phone Number</b>		<b>*Email</b>	
<b>Address 1</b>		<b>Address 2</b>	
<b>*City</b>	<b>State</b>	<b>*Zip Code +4</b> ( <a href="#">Link to USPS Zip Code Lookup</a> )	
<b>Applicant Organization Information</b>			
<b>*Water System Name:</b>		<b>*Water System ID#:</b>	
<b>*Data Universal Numbering System (DUNS) #:</b>		<b>*Statewide Vendor #:</b>	
<b>*Central Contractor Registration (CCR) Expiration Date:</b> Click here to enter a date.		<b>*UBI#:</b>	

### Initial Eligibility

**ATTENTION: Answering NO to any of the following questions or not providing documents requested will make you ineligible.** *Please contact your regional planner or engineer if you have questions.*

**\*Is the applicant a Group A not-for-profit community water system, county, public utility district, or water district?**

☐ YES ☐ NO

**\*Is the water system being consolidated a Group A water system, serving fewer than 10,000 people?**

☐ YES ☐ NO

**\*Is there a letter(s) of commitment, interlocal agreement, or equivalent documentation to demonstrate commitment to participate in the project? Commitments or agreements are required for all project participants.**

☐ YES ☐ NO

\*Upload/attach documentation

### Project Information

**\*Project Name:**

**\*Brief Project Description (Max 500 Words):**

**\*Legislative District (1-49):**

**\*Congressional District (1-10):**

**\*Project County**

**Description of the level of interest and expected level of participation of each public water system participating in the proposed consolidation activity.**

**Description of the final outcome of consolidation activities if the proposed activities and objectives were actually implemented and achieved.**

**\*Does this project address a compliance issue in a department issued correspondence?**

☐ YES   ☐ NO

**\*If YES, what issue(s)?**

☐ Compliance Order

☐ Boil Water Advisory

☐ Sanitary Survey Finding

☐ Other

**\*If Other, please describe:**

***\*Upload Department Issued Compliance Document(s)***

**\*Exceeding a maximum contaminant level (MCL), secondary MCL, or action level or within 80% of nitrate or arsenic MCL?**

☐ YES ☐ NO

**\*If YES, what type of contaminant(s)?**

☐ Arsenic (As)

☐ Copper (Cu)

☐ Iron (Fe)

☐ Manganese (Mn)

☐ Lead (Pb)

☐ Nitrate (as N)

☐ Disinfection by-products

☐ Radionuclides

☐ Organic chemicals

☐ Total Coliform

☐ Other

**\*If Other, please describe:**

**\*Treatment technique issue?**

☐ YES ☐ NO

**\*If YES, select rule(s):**

☐ Ground Water Rule

☐ Revised Total Coliform Rule

☐ Surface Water Treatment Rule

☐ Other

**\*If other treatment technique issues, please describe:**

**\*Water system planning status?**

**\*Select one:**

- ☐ WSP has been approved by DOH within the last 6 years.
- ☐ SWSMP approved by DOH
- ☐ Other

**\*If other, please describe:**

**\*Are two or more key staff positions within the organization vacant and have been vacant for more than three months?** Key positions include: mayor, clerk, treasurer, city administrator, city supervisor, public works director, water superintendent, and certified operator. Attach documentation, such as meeting minutes, regional office correspondence, advertisement of open positions, or similar documentation, to demonstrate positions are vacant.

**\*Does your board or council have over 50% vacancy in required positions for more than three months?** As example, boards with three required positions have at least two positions vacant for more than three months. Or councils with five required positions with three or more positions vacant for more than three months. Attach documentation, such as meeting minutes, regional office correspondence, advertisement of open positions, or similar documentation, to demonstrate positions are vacant.

**\*Has the water system owner or Satellite Management Agency given a one year notice or other written documentation to Office of Drinking Water and water system customers (or designated representative) stating they do not want to own the water system?** Attach correspondence where one-year notice by the owner or Satellite Management Agency has been given and water system customers or designated representative documentation stating they do not want to own the water system.

**\*Type of consolidation activity?**

- ☐ Feasibility Study
- ☐ Connection Fee
- ☐ Rate Study
- ☐ Income Survey
- ☐ Update WSP or SWSMP
- ☐ Other

**\*If other, please describe:**

**List the system(s) participating in this project.**

**If uncertain, check [Sentry Internet](#).**

Name:

PWSID #:

Name:

PWSID #:

Name:	PWSID #:
Name:	PWSID #:
Name:	PWSID #:
Name:	PWSID #:
Name:	PWSID #:
Name:	PWSID #:

**Financial Information****\*Project Budget (Enter date and amount for each activity included in your budget. If not listed, add below.)**

Activity	Date (Estimated)	Loan Request (Costs) Amount	
Engineering Report (preliminary engineering)	Click here to enter a date.		
Environmental Review	Click here to enter a date.		
Cultural Review	Click here to enter a date.		
Land/Right-of-Way Acquisition	Click here to enter a date.		
Permits	Click here to enter a date.		
Public Involvement/Information	Click here to enter a date.		
Bid Documents (design engineering)	Click here to enter a date.		
DOH Review/Approval Fees	Click here to enter a date.		
WSP/SWSMP/Amendment	Click here to enter a date.		
Feasibility Study	Click here to enter a date.		
Connection Fees	Click here to enter a date.		
Income Survey	Click here to enter a date.		
		<b>Subtotal</b>	
Other (describe):	Click here to enter a date.		
Other (describe):	Click here to enter a date.		
Other (describe):	Click here to enter a date.		
		<b>Subtotal</b>	
		<b>Funding Request Total</b>	

**\*Attachment Checklist:**☐ Letter(s) of commitment☐ Other**Other Documentation Comments:**

## **Appendix B**

### **EXAMPLE COMMITMENT LETTERS**

Following are example commitment letters to be submitted with the application.

#### **Example Letter of Commitment from Project Applicant**

As the General Manager of Water District XYZ, this letter is to express the interest and intention of Water District XYZ to continue discussions with the board of Water System ABC regarding the consolidation of our respective water systems. We will study the water infrastructure improvements needed to consolidate Water System ABC into our system and develop budget level costs for identified improvements. All findings and associated reports will be made available to Water System ABC.

Sincerely

General Manager, Water District XYZ

#### **Example Letter of Commitment from Water System Participating in Consolidation Feasibility Study**

Water System ABC board met and agreed to working with Water District XYZ on the consolidation feasibility study to better understand the costs associated with a consolidation project. We commit to making information available to Water District XYZ as needed for this study.

Sincerely,

Board President, Water System ABC

## Appendix C

### EXAMPLE SCOPE OF WORK

#### *SOW Example #1 – Perform feasibility study*

<b>Project Tasks</b>	<p>The district will conduct administrative, legal, and engineering preconstruction work to facilitate the consolidation of the above noted water system customers into the district. Such work may include:</p> <ul style="list-style-type: none"> <li>• Determining water demands and assessing existing infrastructure for each consolidation candidates.</li> <li>• Developing conceptual design and cost estimates for infrastructure improvements.</li> <li>• Propose a funding plan or cost sharing approach, may include forming a Utility Local Improvement District and a 2020 Drinking Water State Revolving Loan Fund application.</li> <li>• Prepare draft feasibility study for DOH review.</li> <li>• Present information to the water systems for public comment.</li> <li>• Produce final feasibility study incorporating DOH and public comments.</li> </ul>
<b>Deliverables</b>	<ol style="list-style-type: none"> <li>1. Draft feasibility study. Due: December 31, 2021.</li> <li>2. Meeting minutes from public meeting. Due: March 1, 2022.</li> <li>3. Final feasibility study. Due: June 1, 2022.</li> </ol>
<b>Payment</b>	<ol style="list-style-type: none"> <li>1. DOH will reimburse the district based on invoices (monthly or bimonthly) for costs described above. The district and its contractor must track and maintain records of expenditures.</li> <li>2. Total reimbursement for allowable costs may not exceed: \$30,000</li> </ol>

*SOW Example #2 – Payment of connection fees*

<b>Project Tasks</b>	The district will connect XYZ mobile home park (PWS ID 00000Z) and the ABC industrial park (PWS ID 00000A) to its distribution system.
<b>Deliverables</b>	<ol style="list-style-type: none"><li>1. Documentation that the two service connections were completed, and the wells supplying the mobile home park and industrial park have been physically disconnected from the potable water system. Due: November 1, 2021.</li><li>2. Invoices for material (pipe and meter) and connection fee charges. Due: December 1, 2021.</li></ol>
<b>Payment</b>	<ol style="list-style-type: none"><li>1. DOH will reimburse the district for its water facilities development charges and material costs for the connection (meter and pipe).</li><li>2. DOH will not reimburse the district for any actual construction-related costs, such as trenching, pavement cutting, pavement restoration, traffic control, and taxes associated with construction.</li><li>3. Total reimbursement for allowable costs may not exceed: \$25,000</li></ol>

*SOW Example #3—Feasibility Study/Water System Plan Amendment Completed in Phases*

**Phase 1 Scope of Work:** At a minimum, the scope of work for the feasibility study shall include the following elements.

1. Summarize the approved number of connections, the limiting factor(s) in determining the approved number of connections, and current water facilities inventory information for each of the seven water systems named above.
2. Identify the combined estimated cost to continue to operate and maintain the seven water systems named above, including regulatory costs. Such costs shall include source and distribution system monitoring requirements; operator certification and cross connection control personnel; treatment costs necessary to achieve and maintain compliance (e.g., nitrate); electrical power; existing total debt and annual debt repayment costs; and an allowance for repair and replacement.
3. Identify the future service area of the integrated single system.
4. Identify water rights held by each of the seven named water systems.
5. Identify major new infrastructure components, such as source(s), storage reservoir(s), booster pump station(s), and/or transmission lines necessary to provide safe and reliable water service throughout the consolidated service area in conformance with local ordinances and with chapter 246-290 WAC, including the facilities' approximate location and size/capacity.
6. Prepare a map suitably sized for public display of the proposed consolidated service area and the approximate location and size/capacity of the consolidated system's major infrastructure components.
7. Identify financing options to construct the needed infrastructure identified above, including funding sources, funders' criteria for loan/grant, projected interest rate, application requirements, and loan/grant approval timeframe.
8. Identify the total estimated cost (annualized, per connection) to operate and maintain the proposed consolidated water system, and compare with the combined estimated costs to continue to operate these seven systems separately.
9. Describe the legal processes and requirements that must be followed to permit consolidation of the seven public water systems, including (as applicable) water right transfer, obtaining property easements, amending the Coordination Act service area boundaries, and service meters.
10. Lead public meeting with the affected service population, present the findings and recommendations of the feasibility study, and provide a copy of the minutes of the community meeting.

Deliverable: Compile the above information into a feasibility study acceptable to DOH.

Due date: July 1, 2021.

Payment: For completion of Phase 1, total reimbursement for allowable costs not to exceed: \$19,500.

**Phase 2 Scope of Work:** Water System Plan Amendment.

If the feasibility study concludes that consolidation of two or more systems is feasible, and if DOH and the administrative leaders of each of the same two or more water systems concur, then this contract provides for the preparation of a water system plan amendment for the proposed consolidated water system. Prior to proceeding with preparation of a water system plan amendment, the district must receive written authorization from DOH. It is expected that much of the information generated in the feasibility study (Task 1) will be included in the amendment.

Scope of Work: Prepare a water system plan amendment, meeting the minimum requirements of WAC 246-290-100. The district and the district's engineering consultant shall participate in a pre-planning conference with DOH prior to developing a water system plan amendment.

1. Prepare and submit to DOH three copies of the draft water system plan amendment within 60 days of receiving written authorization to proceed from DOH. If there are any comments on the draft water system plan amendment, three copies of the revised document addressing each of the comments shall be submitted to DOH within 60 days of the date of the comment letter.

Deliverable: A water system plan amendment meeting all approval requirements.

Due date: November 11, 2021 (second submittal, if necessary).

Payment: For completion of Phase 2, total reimbursement for allowable costs not to exceed: \$10,000.